

Statement of
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Before the
Little Hoover Commission

Concerning the CALFED Bay-Delta Program Governance

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Introduction

Chairman Alpert and members of the Commission, thank you for the opportunity to appear before you today to discuss the important issue of CALFED Bay-Delta Program governance. Governor Schwarzenegger acknowledged the importance of CALFED in the May revision to his 2005-2006 budget, stating that “The CALFED Bay-Delta Program continues to play an important role in meeting California’s future water needs. CALFED must be a part of the long-term water resource investment strategy for the state.”

The CALFED Bay-Delta Program is completing five years of implementing an unprecedented collaborative resource management program. During that time, budgets and prospective financing have declined, conditions in the system have changed, and all interests have learned from the experience. It is appropriate to review the program so far, and make sure it is poised for continued success.

Program Origins

George Santayana said “Those who cannot remember the past are condemned to repeat it.” I remember the pre-CALFED past quite vividly, and I know that Californians do not want to repeat the times of crisis and impasse that eventually led to CALFED. The decade before the Bay-Delta Accord was signed was marked by events that overwhelmed our ability to manage the Bay-Delta system. The drought of 1986-91 was the worst drought in 20 years, and the longest dry period in 60 years. Endangered Species Act listings made water management more challenging and more contentious. Passage of the Central Valley Project Improvement Act in 1992 provided some additional tools to manage conflict and species decline, but also increased tensions among California water interests. Some parties considered litigation to be the best tool available, but it is a tool that is neither constructive nor proactive. The three broad interests involved – urban, agricultural, and environmental – could not agree on constructive ways to move forward, but could block any initiative advanced by the other interests. To compound the situation, various State and federal agencies were often in conflict with one another, or at least not well-coordinated in efforts to manage the system and reduce conflict.

This troubled past is worth mentioning to remind us of our true task. Any adjustments in CALFED governance must accomplish two things: first, any changes must overcome the governance weaknesses or challenges we may identify with current CALFED governance. Second, and far more important, is the continuing need to effectively manage the conflict inherent in our efforts to use the Bay-Delta as a water management hub and an important estuarine environment.

Mechanisms, Structures, and Processes

Even if a perfect governance structure is not clear to us (and at this point, frankly, it is not at all clear) there are three elements of CALFED that have proved essential over the past 10 years. These features will be vital in any future governance structure.

The first is interagency coordination. CALFED has achieved many of its successes because State and federal agencies were able to remove their institutional blinders and acknowledge the goals and responsibilities of other agencies as well as their own. This coordination must occur at multiple levels within the agencies as we make technical, management, and policy decisions. With the creation of the Bay-Delta Authority, the CALFED agencies devoted less policy-level attention to the process. This reduced level of attention from policy-makers may have prevented us from identifying challenges and making corrections sooner. The continuing high level of CALFED interagency coordination at the technical and management levels has usually led to collaborative decision-making. All the CALFED agencies must continue to resist the temptation to make unilateral decisions when the interests of so many are at stake.

A second essential element is collaborative stakeholder involvement. The CALFED program will continue to exist only as long as a broad range of stakeholders see it as the best way to achieve their goals. The last 10 years have been remarkably free of lawsuits related to management of the Bay-Delta system because most stakeholder groups have viewed collaboration as more constructive and proactive than litigation. Clearly, this stakeholder involvement must be facilitated by a range of methods for public access. Regular public forums, such as meetings of the Bay-Delta Public Advisory Committee or the Bay-Delta Authority, are essential. The decision-making of the agencies must also be transparent and open for public comment and input so that all major stakeholder interests are part of a collaborative process.

The third essential element is flexibility. In 2000 when the Record of Decision was signed, the program was flush with cash and optimism. Today, a lot has changed. Fortunately, the course charted by CALFED was a programmatic one that provided flexibility. It included stages and multiple decision points. The CALFED program also acknowledged that adaptive management would be an essential tool to grapple with change and uncertainty. Any governance structure for CALFED must reflect the flexibility of the program's foundational documents and be able to withstand inevitable changes in hydrology, ecosystem conditions, funding, and political philosophy.

Additional Elements

One of the topics on which the Little Hoover Commission invited comment is program accountability. If there is a single essential element that has been lacking from our governance and management structures over the past few years, it is accountability. In the future, the CALFED program must have clear lines of responsibility for the completion of program actions and adherence to program schedules. An unfortunate byproduct of the collaborative process we have followed is that accountability and responsibility have sometimes been obscured. A big challenge in the design of future CALFED governance will be to reconcile collaboration and responsibility.

In closing, I would observe that change presents opportunities. Some parties may try to use the current CALFED refocusing to advance their own narrow interests in one part of the program or another. All of us must rise above these narrow-minded instincts, and recognize that a collaborative, transparent, and balanced program is the only one that can succeed. With several years' experience behind us, I am confident that we can improve upon the CALFED program and make it even more successful in the future.

This concludes my comments, and I would be happy to answer any questions the Commission may have.